



Milwaukee County Board

Finance and Audit Committee

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For Immediate Release
Contact: Harold Mester, Public Information Manager
414/278-4051 or harold.mester@milwcnty.com

HEALTH CARE DEFICIT GROWS DURING 2006

Frustration at Finance Committee meeting

Milwaukee, WI—Several Supervisors on the County Board's Finance and Audit Committee are frustrated with new estimates detailing a deficit relating to 2006 health care expenditures for County employees and retirees.

The Committee received its monthly update Thursday from Administrative Services Director Linda Seemeyer, who estimated the health care budget would realize a deficit of \$10.7 million for 2006, up from the \$7 million dollar estimate in September.

Finance Committee Vice Chairman Ryan McCue is disappointed that the deficit keeps increasing. "We depended on the administration to provide accurate numbers on how many retirees and employees will receive health care insurance from the County. For the administration to give a number that is off by over 300 people is inexcusable," McCue said. "This mistake has cost the taxpayers millions."

"If we have a well-paid human resources director who doesn't know how to determine the number of employees in our organization, we're in some serious trouble," Supervisor Peggy West said. "It's extremely frustrating."

In September, the County switched from a fully-insured model to a self-insured model to save more than \$18 million over the next three years. But this year's shortfall was a product of several factors, including that mistake in underestimating the number of County employees by at least 300, the inability to reach a contract agreement with AFSCME District Council 48, and a higher than expected number of claims filed in 2006.

"It's a shame that no one in Milwaukee County's human resources division has a health insurance background," West said. "They have key functions they can't perform."

"Rising health care costs must be taken seriously. I am proud that the Finance and Audit Committee commissioned a health care work group which will help save the County millions of dollars in the near future," McCue added.